



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0131	Title:	Require DNRC to designate wildland-urban interface
Primary Sponsor:	Williams, Carol	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
Federal Special Revenue	\$147,327	\$140,527	\$144,040	\$147,641
Revenue:				
Federal Special Revenue	\$147,327	\$140,527	\$144,040	\$147,641
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

Department of Natural Resources and Conservation (DNRC):

SB 131 will require two additional FTE and supporting operating funds to implement in the Department of Natural Resources and Conservation (DNRC).

FISCAL ANALYSIS

Assumptions:

Department of Natural Resources and Conservation (DNRC):

- 1.00 FTE forester would provide program implementation, oversight, and county coordination. These personal services costs are estimated to be \$53,029 annually.
- 1.00 FTE cartographer would provide GIS support and contract administration. These personal services costs are estimated to be \$57,498 annually.
- Start-up costs are estimated to be \$6,800 in FY 2010 only.
- Operating costs, which include substantial travel and contract costs for GIS support (\$30,000 annually), have been included.
- A 2.5% inflationary factor is applied to FY 2012 and FY 2013.
- The DNRC anticipates federal funding to be available through the Federal National Fire Plan.

State Auditor's Office (SAO):

- This SAO anticipates only a nominal affect on rate filings or consumer complaints as a result of the bill.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$110,527	\$110,527	\$113,290	\$116,122
Operating Expenses	\$36,800	\$30,000	\$30,750	\$31,519
TOTAL Expenditures	\$147,327	\$140,527	\$144,040	\$147,641
<u>Funding of Expenditures:</u>				
Federal Special Revenue	\$147,327	\$140,527	\$144,040	\$147,641
<u>Revenues:</u>				
Federal Special Revenue	\$147,327	\$140,527	\$144,040	\$147,641
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Federal Special Revenue	\$0	\$0	\$0	\$0

Technical Notes:**State Auditor's Office (SAO):**

1. New section subsection 33-24-102(2):
 - a. could allow unfair discriminatory rates which is contrary to 33-18-210(5), MCA.
 - b. "an insured's premium rate based solely" on the location would be very difficult to prove as written. The insurance carriers capture statistics by protection class and could use those to increase rates in those areas.
 - c. similar laws are currently in 33-18-210(9) and (10), MCA, on auto insurance or in a new section of Chapter 24.
 - d. what is to be included as "property" in line 27 of page 2?
2. New section 1 establishes designated wild land urban interface (WUI) parcels in each county and the use of a protection plan, if one has been adopted. It could be problematic for the DNRC to establish their criteria without consideration of insurers underwriting guidelines as they could conflict with each other.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date